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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91196926
Party	Plaintiff GMA Accessories, Inc.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

-----X
GMA ACCESSORIES, INC.,

Opposer,

Opposition No.: 91196926

– against –

OPPOSER’S REPLY BRIEF

DORFMAN-PACIFIC CO.,

Applicant.

-----X
Mark: CAPPELLI STRAWORLD
Serial No.: 77-965, 616
Class (es): 18, 25

PRELIMINARY STATEMENT

The issue before the Board is whether a Judgment in favor of GMA Accessories, Inc. with respect to the mark CAPPELLI in an action captioned GMA Accessories, Inc v. Cappelli Strawworld, Inc., Cancellation No. 92044972, which resulted in the cancellation of the mark CAPPELLI precludes Dorfman-Pacific Co. (Cappelli Strawworld’s successor) from registering the mark CAPPELLI STRAWORLD (hereinafter “2005 Proceeding”).

STATEMENT OF FACTS

For a comprehensive statement of facts relevant to this brief, the Court is respectfully referred to the Declaration of Conor F. Donnelly dated December 7, 2010.

ARGUMENT

“*Res judicata*” encompasses both issue preclusion (often referred to as collateral estoppel) and claim preclusion (often referred to as *res judicata*). International Air Response v. United States, 324 F.3d 1376, 1378 (Fed.Cir.2003) (citing Migra v. Warren

City School District Bd. of Educ., 465 U.S. 75, 77 n. 1 (1984)). “Application of res judicata requires a prior final judgment on the merits by a court or other tribunal of competent jurisdiction; identity of the parties or those in privity with the parties; and a subsequent action based on the same claims that were raised, or could have been raised, in the prior action.” . International Nutrition Company v. Horphag Research, Ltd., 220 F.2d 1325, 1329 (Fed.Cir.2000) (citations omitted).

Parties are not different

Applicant argues that the parties in the 2005 Proceeding are different from the parties in this action. The parties in the 2005 Proceeding were GMA Accessories, Inc. and Capelli Strawworld, Inc. Here, the parties are GMA Accessories, Inc. and Dorfman-Pacific Co.

It is settled that a successor in interest is bound by a judgment as against its predecessor. International Nutrition Company at 1329. (“One situation in which parties have frequently been held to be in privity is when they hold successive interests in the same property.” (See, e.g., Litchfield v. Crane, 123 U.S. 549, 551, 8 SCt. 210, 31 L.Ed. 199 (1887) (defining privity to include a “mutual or successive relationship to the same rights of property”)). “A judgment in an action that determines interests in real or personal property...[h]as preclusive effects upon a person who succeeds to the interest of a party to the same extent as upon the party himself.” (Id. (citing Restatement (Second) of Judgments § 43 (1982))).

Dorfman-Pacific Co. admitted in Paragraph 22 of its Answer to Opposer’s Notice of Opposition that it purchased CAPPELLI STRAWORLD, INC. The allegation “Dorfman-Pacific Co. purchased Capelli Strawworld, Inc. sometime after 2006” contained

in Paragraph 22 of the Notice of Opposition was answered as “Admitted” in Paragraph 22 of Applicant’s Answer. See Exhibits F and G to Donnelly Declaration in Support of Motion. An Admission in an Answer is treated as a fact for purposes of a Motion for Summary Judgment. Carnegie Mellon University v. Hoffmann-La Roche Inc., 541 F.3d 1115, 1121 (Fed.Cir.2008). (“...[i]n deciding a motion for summary judgment, “[t]he evidence of the nonmovant is to be believed...””) (citing Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 255 (1986)). A Declaration may rely on statements made in the pleadings as an admission. TBMP § 704.6(a) (“...statements in pleadings may have evidentiary value as admissions against interest by the party that made them.”)

Marks are not different

The mark at issue in the 2005 Proceeding (“CAPPELLI”) and the mark at issue in the current opposition proceeding (“CAPPELLI STRAWORLD”) are not sufficiently different so as to avoid the application of *res judicata*. (see Miller Brewing Co. v. Coy International Corp., 230 USPQ 675, 678 (TTAB 1986) stating that the Board “does not wish to encourage losing parties to insignificantly modify their marks after an adverse ruling and thereby avoid the *res judicata* effect of a prior adjudication.”) It is well-settled that adding another word or name to a single word mark is not sufficient to overcome a likelihood of confusion between two separate marks under Section (d) of the Lanham Act. See e.g. Coca Cola Bottling Co. v. Joseph E. Eagram & Sons, Inc., 526 F.2d 556, 188 USPQ 105 (C.C.P.A 1975) (“BENGAL” and “BENGAL LANCER”); Lilly Pulitzer, Inc. v. Lilli Ann Corp., 376 F.2d 324, 153 USPQ 406 (C.C.P.A 1967)(“THE LILY” and “LILY ANN”); In re El Torito Restaurants Inc., 9 USPQ2d 2002 (TTAB 1988) (“MACHO” and “MACHO COMBOS”); In re United States Shoe Corp., 229 USPQ 707

(TTAB 1985) (“CAREER IMAGE” and “CREST CAREER IMAGES”); In re Corning Glass Works, 229 USPQ 65 (TTAB 1985) (“CONFIRM” and “CONFIRMCELLS”); In re Riddle, 225 USPQ 630 (TTAB 1985) (“ACCUTUNE” and “RICHARD PETTY’s ACCU TUNE”); In re Cosvetic Laboratories, Inc., 202 USPQ 842 (TTAB 1979) (“HEAD START” and “HEAD START COSVETIC”). TMEP Section 1207.01(b)(iii). In re Denisis, 225 U.S.P.Q. 624 (TTAB 1985); CFM Majestic, Inc. v. NHC, Inc., 93 F.Supp.2d 942 (N.D. Ind. 2000); Trident Seafoods Corp. v. Triton Fisheries, LLC., 2000 WL 33675750 at *6 (D. Alaska June 30, 2000); Physicians Formula Cosmetic, Inc v West Cabot Cosmetics 857 F.2d 80, 82 (2d Cir. 1988); Wynn Oil Company v. Thomas, 239 F.2d 1183 (6th Cir. 1988); 3 McCarthy on Trademarks §§ 23:55-23:56 at 23-164 through 23-169.

Issues are not different

The issues in the current Opposition proceeding are the same as those previously decided in the prior Cancellation proceeding.

1. Priority of use was pled the same way in the 2005 Proceeding (See Notice of Opposition Ex. A) and the Notice of Opposition in the current proceeding.

Compare:

“The items with which STRAWORLD commenced identifying with the mark CAPELLI are strikingly similar to those goods that were already being identified by in commerce by GMA for many years before as CAPELLI.” (Notice of Opposition, Ex. A (Petition for Cancellation) ¶ 7).

With:

“The items with which the DORFMAN-PACIFIC commenced identifying with the mark CAPPELLI STRAWORLD are strikingly similar to those goods that were already being identified in commerce by GMA for many years before as CAPELLI.” (Notice of Opposition ¶ 14).

2. The issue of likelihood of confusion regarding similarity of marks was pled the same way in the 2005 Proceeding and the Notice of Opposition in the current proceeding.

Compare:

“In determining whether there is a likelihood of confusion, courts will consider whether the marks themselves are similar in appearance, sound, connotation and commercial impression. In re. E. I. Dupont de Nemurs & Co., 476 F.2d 1357, 177 U.S.P.Q. 563 (CCPA 1973).” (Notice of Opposition, Ex. A (Petition for Cancellation) ¶ 8).

With:

“In determining whether there is a likelihood of confusion, courts will consider whether the marks themselves are similar in appearance, sound, connotation and commercial impression. In re. E. I. Dupont de Nemurs & Co., 476 F.2d 1357, 177 U.S.P.Q. 563 (CCPA 1973).” (Notice of Opposition ¶ 15).

Compare:

“Numerous courts have found a likelihood of confusion notwithstanding the inclusion of additional words, prefixes or suffixes. In re Denisi, 225 U.S.P.Q. 624 (TTAB 1985); CFM Majestic, Inc. v. NHC, Inc., 93 F. Supp.2d 942 (N.D. Ind. 2000); Trident Seafoods Corp. v. Triton Fisheries, LLC., 2000 WL 33675750 at *

6 (D. Alaska June 30, 2000); 3 McCarthy on Trademarks §§ 23:55-23:56 at 23-164 through 23-169.” (Notice of Opposition, Ex. A (Petition for Cancellation) ¶ 9).

With:

“Numerous courts have found a likelihood of confusion notwithstanding the inclusion of additional words, prefixes or suffixes. In re Denisi, 225 U.S.P.Q. 624 (TTAB 1985); CFM Majestic, Inc. v. NHC, Inc., 93 F. Supp.2d 942 (N.D. Ind. 2000); Trident Seafoods Corp. v. Triton Fisheries, LLC., 2000 WL 33675750 at *6 (D. Alaska June 30, 2000); 3 McCarthy on Trademarks §§ 23:55-23:56 at 23-164 through 23-169.” (Notice of Opposition ¶ 16).

3. The issue of likelihood of confusion regarding the parties’ goods was at issue in both cases.

Compare:

“In determining whether there is a likelihood of confusion, the goods or services are to be compared to be determined if they are related or if the activities surrounding their marketing are such that confusion as to origin is likely. In re August Storck KG, 218 USPQ 823 (TTAB 1983); In re International Telephone and Telegraph Corp., 197 USPQ 910 (TTAB 1978); Guardian Products Co., v. Scott Paper Co., 200 USPQ 738 (TTAB 1978).” (Notice of Opposition, Ex. A (Petition for Cancellation) ¶ 10).

With:

“In determining whether there is a likelihood of confusion, the goods or services are to be compared to be determined if they are related or if the activities

surrounding their marketing are such that confusion as to origin is likely. In re August Storck KG, 218 USPQ 823 (TTAB 1983); In re International Telephone and Telegraph Corp., 197 USPQ 910 (TTAB 1978); Guardian Products Co., v. Scott Paper Co., 200 USPQ 738 (TTAB 1978).” (See Notice of Opposition ¶ 17).

Compare:

“The goods of the parties need not be identical or directly competitive to find a likelihood of confusion. They need only be related in some manner, or the conditions surrounding their marketing be such, that they could be encountered by the same purchasers under circumstances that could give rise to the mistaken belief that the goods come from a common source. In re Martin’s Famous Pastry Shoppe, Inc., 748 F. 2d 1565, 223 USPQ 1289 (Fed Cir. 1984); In re Corning Glass Works, 229 USPQ 65 (TTAB 1985); In re Rexel, Inc., 223 USPQ 830 (TTAB 1984); Guardian Products Co., Inc. v. Scott Paper Co., 200 USPQ 738 (TTAB 1978); In re International Telephone & Telegraph Corp., 197 USPQ 910 (TTAB 1978).” (Notice of Opposition ¶ 18 and Notice of Opposition, Ex. A ¶ 11).

With:

“The goods of the parties need not be identical or directly competitive to find a likelihood of confusion. They need only be related in some manner, or the conditions surrounding their marketing be such, that they could be encountered by the same purchasers under circumstances that could give rise to the mistaken belief that the goods come from a common source. In re Martin’s Famous Pastry Shoppe, Inc., 748 F. 2d 1565, 223 USPQ 1289 (Fed Cir. 1984); In re Corning

Glass Works, 229 USPQ 65 (TTAB 1985); In re Rexel, Inc., 223 USPQ 830 (TTAB 1984); Guardian Products Co., Inc. v. Scott Paper Co., 200 USPQ 738 (TTAB 1978); In re International Telephone & Telegraph Corp., 197 USPQ 910 (TTAB 1978).” (Notice of Opposition ¶ 18).

4. The issue of commercial impression of the marks was at issue in both cases.

Compare:

“The STRAWORLD Mark is similar to the GMA Mark in appearance, sound, connotation and commercial impression.” (Notice of Opposition, Ex. A (Petition for Cancellation) ¶ 12).

With:

“The DORFMAN-PACIFIC Mark is similar to the GMA Mark in appearance, sound, connotation and commercial impression.” (Notice of Opposition ¶ 19).

Compare:

“The goods that STRAWORLD seeks to identify by its mark are commercially similar and will be marketed in commercially similar channels as GMA’s.” (Notice of Opposition, Ex. A (Petition for Cancellation) ¶ 13).

With:

“The goods that DORFMAN-PACIFIC seeks to identify by its mark are commercially similar and will be marketed in commercially similar channels as GMA’s.” (Notice of Opposition ¶ 20).

The Prior Judgment, although reached by the Board due to Respondent's Failure to Comply with the Board's Order, is still *res judicata*.

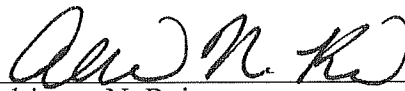
Issues need not have been fully litigated—even a default judgment may operate as *res judicata*. (“[D]efault judgments can give rise to *res judicata*.” International Nutrition Company, 220 F.3d at 1328-29 (citations omitted). “[T]he application of a legal doctrine which would be appropriate to a judgment after trial is equally appropriate to a judgment by default” (Bass Anglers Sportsman Society of America, Inc. v. Bass Pro Lures, Inc., 200 USPQ 819, 822 (TTAB 1978); See also Wells Cargo, Inc. v. Wells Cargo, Inc., 197 USPQ 569, 571 (TTAB 1977), *aff’d*, 606 F.2d 961, 203 USPQ 564 (CCPA 1979) (“The conservation of the Board’s time and resources and the need for finality to litigation require that the party which failed to contest the matter at its first opportunity should not, at its option, be permitted to reopen questions that have been concluded. An applicant’s default...is all that is necessary to support the judgment.”) Here the parties in the prior proceeding were engaged in the proceeding for sometime, an answer was filed, each side served several discovery requests, discovery was exchanged by GMA Accessories, Inc., and hearings were held on discovery motions. No appeal was taken from the Board’s 2006 Order striking Respondent’s Answer for failing to comply with the Board’s prior Order. Thus, the decision reached by the Board to grant GMA Accessories, Inc.’s Petition and cancel the CAPPELLI mark is clearly *res judicata* upon this subsequent proceeding.

CONCLUSION

WHEREFORE the application for the CAPPELLI STRAWORLD mark should be denied.

Dated: February 2, 2011

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Adrienne N. Reina", written over a horizontal line.

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Mark: CAPPELLI
STRAWORLD
Serial No.: 77-965, 616
Class (es): 18, 25

CERTIFICATE OF SERVICE

I, Adrienne N. Reina, hereby certify that these papers (Opposer's Reply Brief) are being deposited with the United States Postal Service on February 2, 2011, postage pre-paid, addressed to the following:

Michael J. Cronen
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Oakland CA 94612-2506



Adrienne N. Reina, Esq.